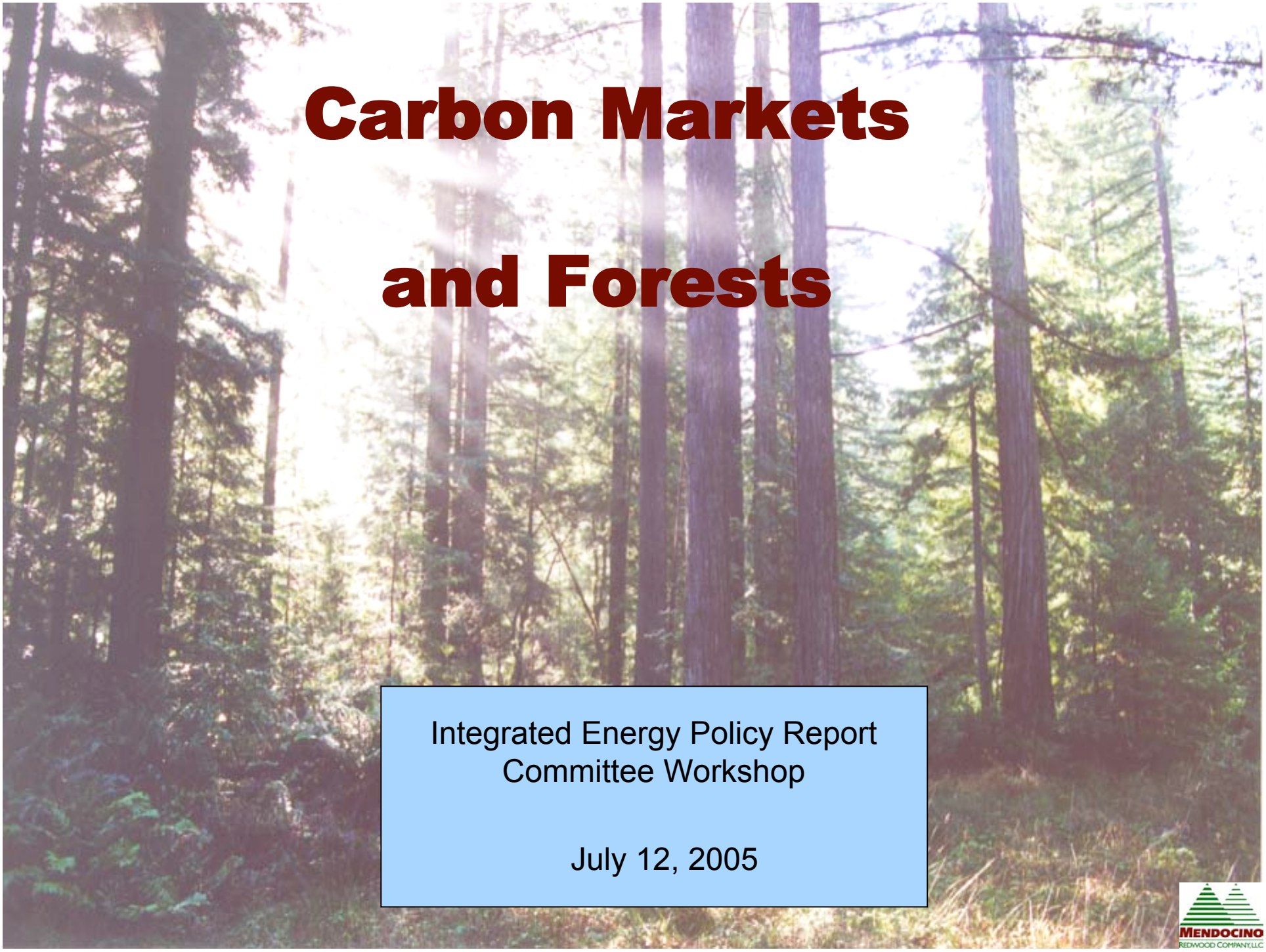

Carbon Markets and Forests

Integrated Energy Policy Report
Committee Workshop

July 12, 2005

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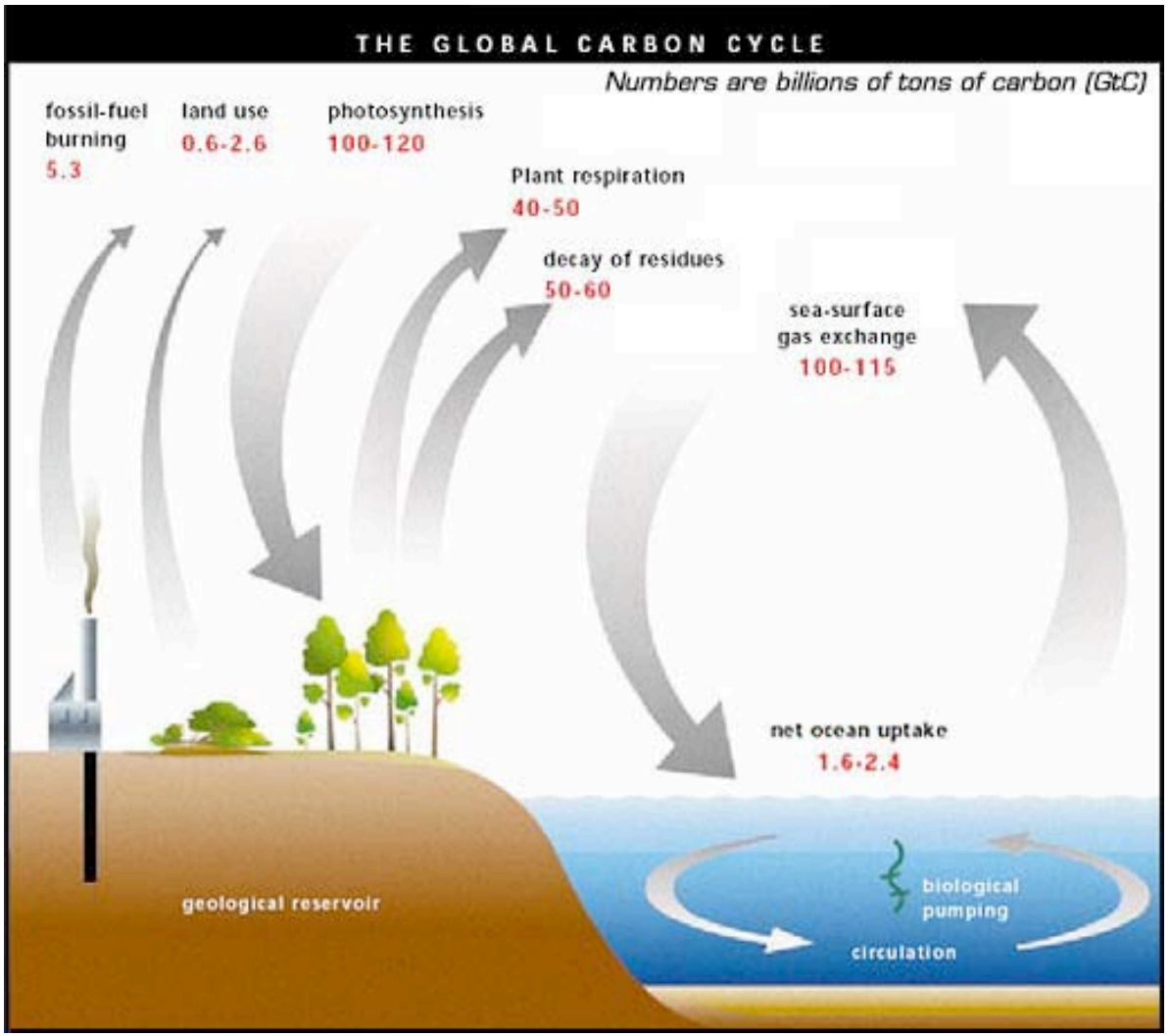
Forests in the Carbon Cycle



Content source: Kasting, James. 1998. **The Carbon Cycle, Climate, and the Long-Term Effects of Fossil Fuel Burning**. Consequences: The Nature and Implication of Environmental Change (Volume 4, Number 1)

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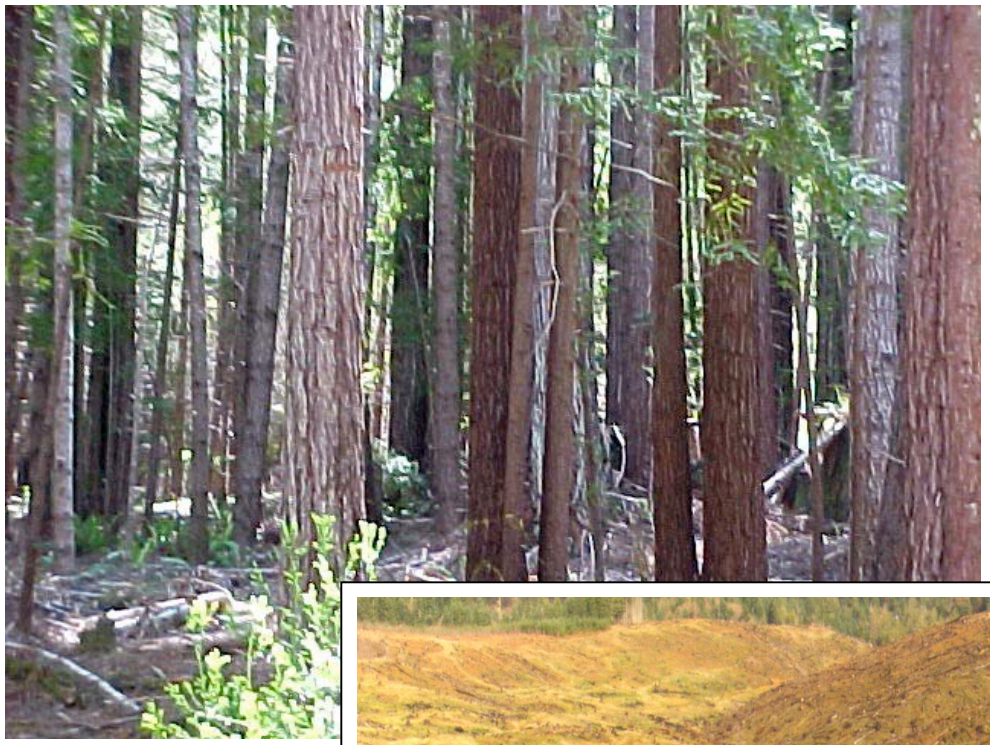
Forests – Part of the Problem and Part of the Solution



- Absorbed CO2 from photosynthesis is ‘sequestered’.

- CO2 is released back into the atmosphere when harvested (and decayed) or burned.

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The Forest Sector is a Source of Global CO_2 Emissions

- Forest Sector contributes approx. 20% of global CO_2 emissions - largely due to forest loss

- Forest loss = CO_2 emissions from 1.4 billion cars annually

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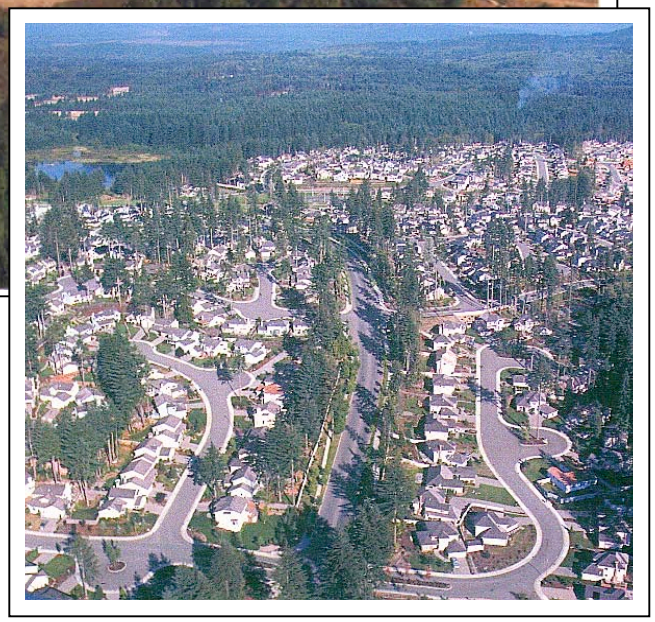
California's Forest Threats



•Conversion to Agriculture.

•Conversion to Housing.

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Why are Conversions Occurring?

- Increasing management costs
- Increasing real estate values
- Other forest values such as habitat, clean water, recreation, and carbon sequestration are not rewarded financially.

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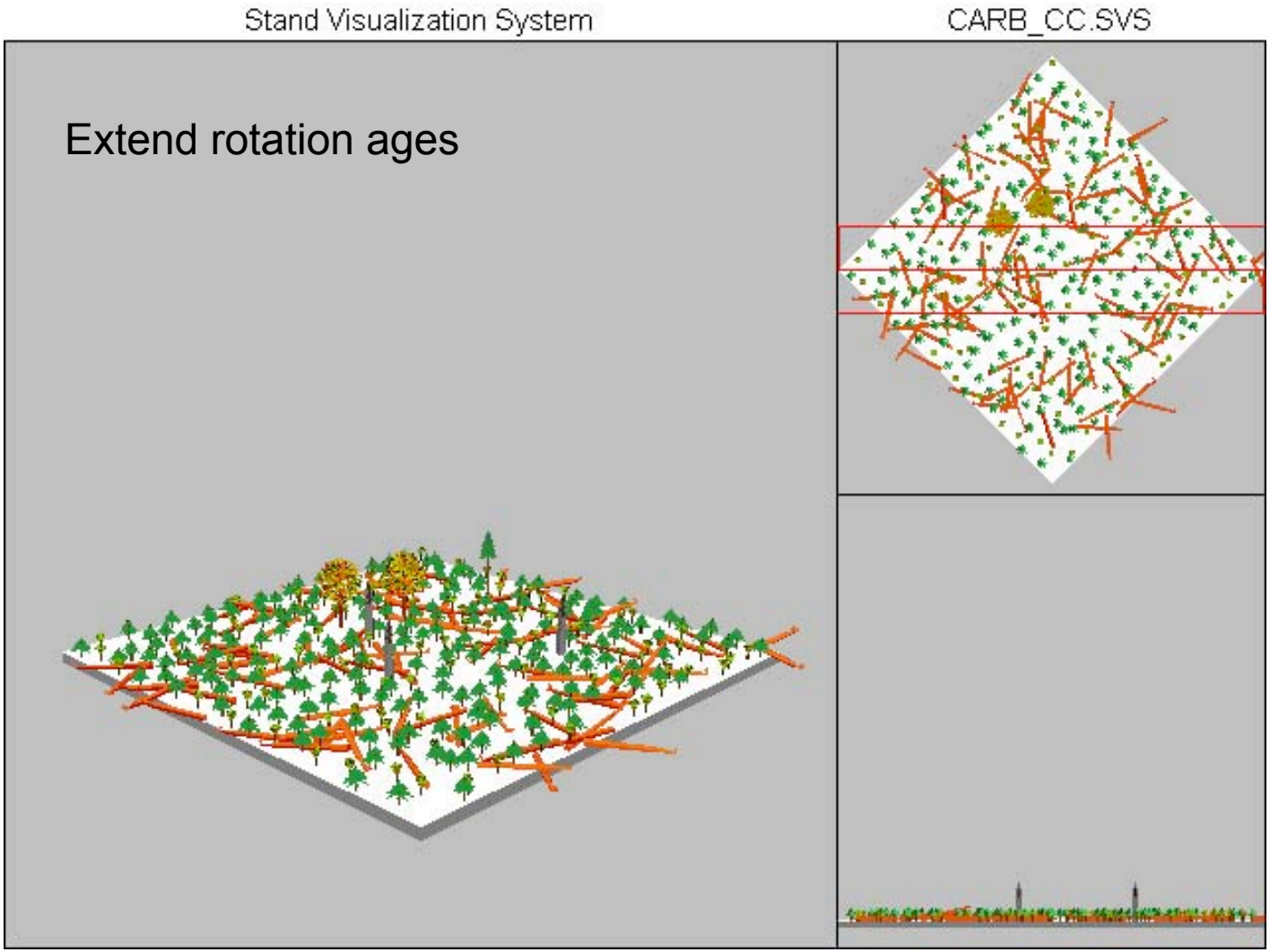
What can Forest Managers do?

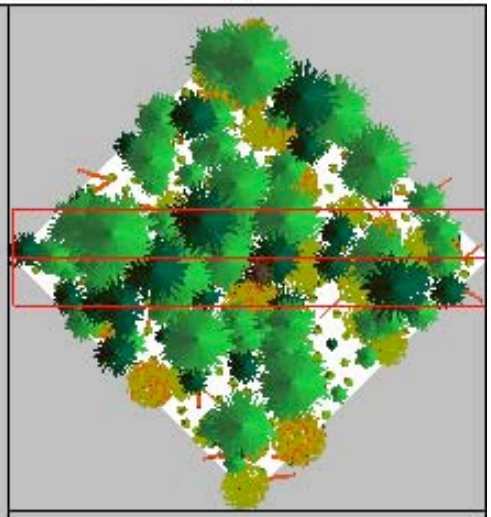


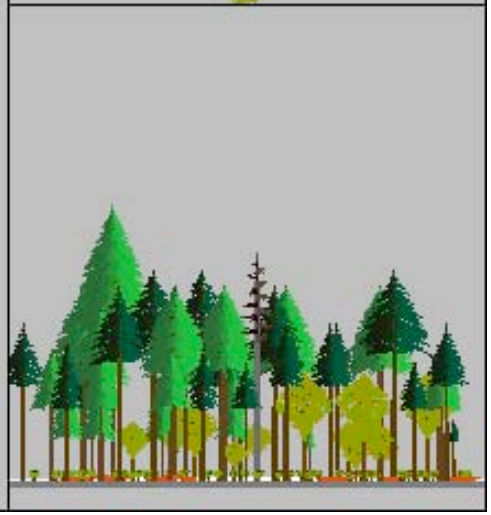
What can Forest Managers do?

Stand Visualization System

CARB_BRUSH_RESTORE.SVS

Restore conifers to increase long-term storage





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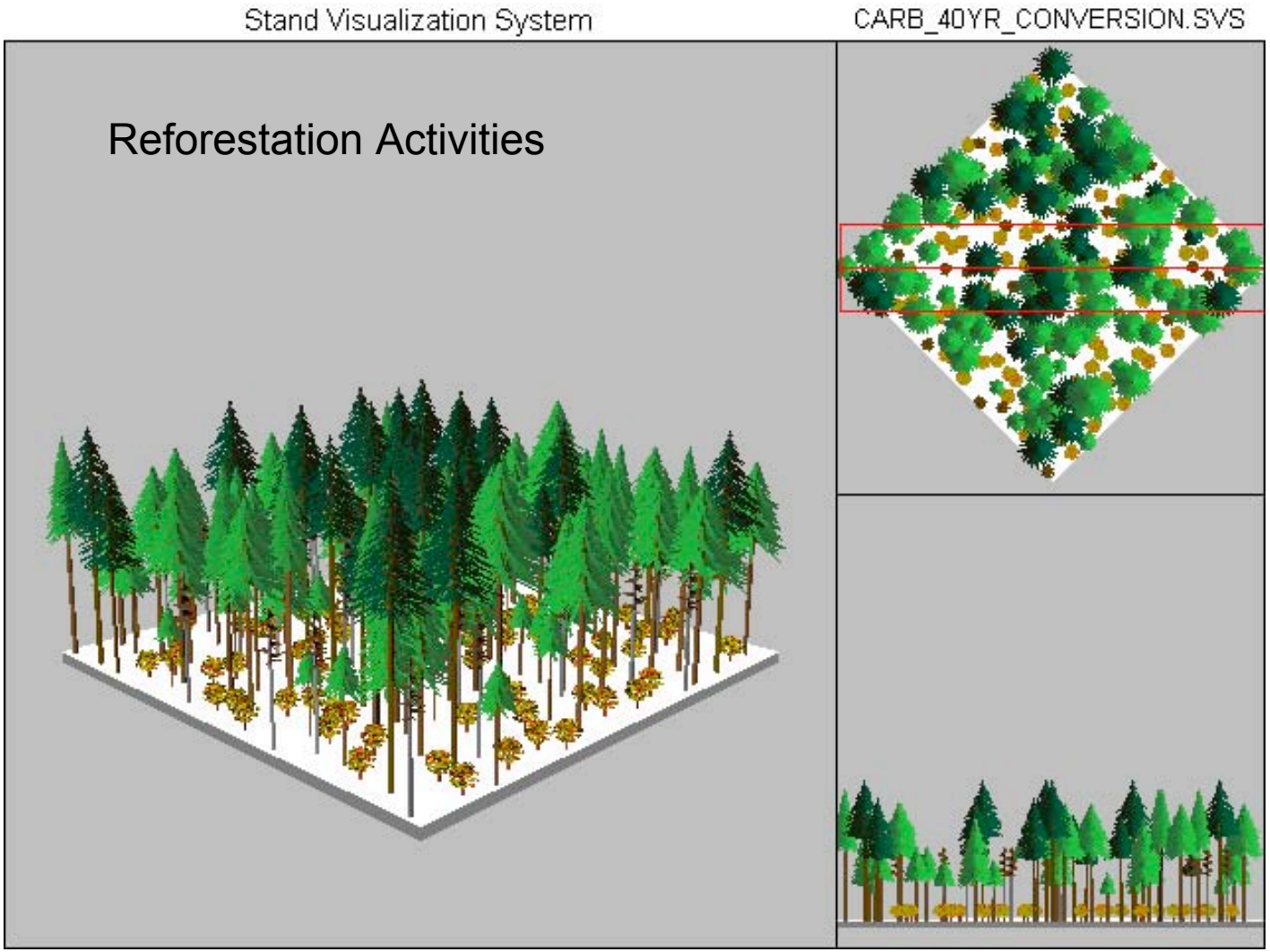
What can Forest Managers do?



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Incentives to keep Forests Working

- Establish a greenhouse cap and trade system to monetize forest carbon sequestration.

- Provide tax incentives, regulatory relief, and direct payments for landowners who permanently sequester carbon above legal standards.

- Provide policies that provide market-based solutions to wildfire risk reductions.

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In Summary.....

The forest sector can produce significant climate benefits when-

- Managed/restored to increase overall Forest C Stocks and
- Protected to prevent CO_2 emissions

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